

THE ECONOMIC REVOLUTION

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after an orgy of debasement and confiscation, was in a state of financial collapse, and by the end of it Spain, the southern Netherlands including Antwerp, and a great part of France, including the financial capital of southern Europe, Lyons, were ruined. By the middle of the seventeenth century wide tracts of Germany were a desert, and by the end of it the French finances had relapsed into worse confusion than that from which they had been temporarily rescued by the genius of Colbert. The victors compared their position with that of the vanquished, and congratulated themselves on their spoils. It rarely occurred to them to ask what it would have been, had there been neither victors nor vanquished, but only peace.

It is possible that the bankruptcies of Governments have, on the whole, done less harm to mankind than their ability to raise loans, and the mobilization of economic power on a scale unknown before armed the fierce nationalism of the age with a weapon more deadly than gunpowder and cannon. The centralised States which were rising in the age of the Renaissance were everywhere faced with a desperate financial situation. It sprang from the combination of modern administrative and military methods with mediaeval systems of finance. They entrusted to

bureaucracies work
which, if done at all, had formerly been
done as an
incident of tenure, or by boroughs and gilds
; officials
had to be paid. They were constantly at
war; and the
new technique of war, involving the use of
masses oi
professional infantry and artillery—which
Rabelais
said was invented by the inspiration of the
devil, as a
counterpoise to the invention of printing
inspired b>
God—was making it, as after 1870, a highly
capitalizec
industry. Government after Government,
undeterred
with rare exceptions, by the disasters of its
neighbours
trod a familiar round of expedients, each of
which wa:
more disastrous than the last. They
hoarded treasure,
only to see the accumulations of a thrifty
Henry VII or